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*Attorneys for Defendant Trunkbow International
Holdings Limited*

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

BORNET OLIVIER, on behalf of himself and
all others similarly situated,

Plaintiff,

v.

WANCHUN HOU, QIANG LI, JIHONG BAO,
XIN WANG, ALBERT LIU, REGIS KWONG,
KOKHUI TAN, IRIS GENG, TINGJIE LV,
ZHAOXING HUANG, DONG LI, and
TRUNKBOW INTERNATIONAL HOLDINGS
LIMITED,

Defendants.

Case No.: 2:14-cv-00106-JCM-NJK

**STIPULATION AND ~~PROPOSED~~
ORDER STAYING ACTION PENDING
FINAL APPROVAL OF SETTLEMENT
IN PARALLEL STATE CLASS
ACTION**

**AS AMENDED,
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WHEREAS, plaintiff Borne Olivier ("Plaintiff") filed the captioned action ("Action") on January 22, 2014, to challenge the proposed merger that Trunkbow International Holdings Limited ("Trunkbow" or the "Company") entered into with Trunkbow Merger Group Limited ("Parent"), a British Virgin Islands company, and Trunkbow International Merger Sub Limited ("Merger Sub"), a Nevada corporation and a wholly owned, direct subsidiary of Parent (the "Merger"). Among other things, Plaintiff alleged that defendants violated Sections 14(a) and 20(a) of the Securities Exchange Act of 1934, and Rule 14a-9 promulgated thereunder, by filing a materially false and misleading Schedule 14A Preliminary Proxy Statement ("Preliminary Proxy Statement") with the U.S. Securities and Exchange Commission ("SEC") in connection with the Merger on December 20, 2013 and that defendants breached their fiduciary duties, or aided and abetted in that breach, by approving the Merger after a materially flawed process and for an unfair price;

WHEREAS, this Action was filed after seven similar purported class actions were filed in the Eighth Judicial District Court of Clark County, Nevada (the "State Court").¹ Each of the seven state court actions likewise challenged either the initial merger proposal or, ultimately, the definitive merger agreement (the "Merger Agreement") that Trunkbow entered into with Parent and Merger Sub. The complaints in the state court actions generally alleged that the Merger was entered into as a result of an unfair process and for an unfair price and the defendants breached, or aided and abetted the breach of, fiduciary duties to the Company's stockholders. In addition, the *Morgan, Hertel, Sun, and Fontaine Actions* alleged that the Preliminary Proxy Statement omitted information necessary for it not to be materially misleading and asserted claims for violation of the duty of candor;

¹ *Hansen v. Trunkbow, et al.*, Case No. A-12-671652-C (now A-12-671652-B) was filed on November 8, 2012; *Robert Davis v. Hou, et al.*, Case No. A-12-671946-C (the "Davis Action") was filed on November 14, 2012; *Jason Lines v. Trunkbow Int'l Holdings Ltd., et al.*, Case No. A-13-693474-C was filed on December 20, 2013; *William Morgan v. Hou, et al.*, Case No. A-13-693613-C was filed on December 26, 2013 (the "Morgan Action"); *Troy Hertel v. Trunkbow Int'l Holdings Ltd., et al.*, Case No. A-13-693654-C was filed on December 27, 2013 (the "Hertel Action"); *Lu Sun v. Trunkbow Int'l Holdings Ltd., et al.*, Case No. A-14-694023-C was filed on January 6, 2014 (the "Sun Action"); and *Jean Fontaine v. Trunkbow Int'l Holdings Ltd. et al.*, Case No. A-14-694147-C was filed on January 7, 2014 (the "Fontaine Action"). On January 10, 2014, the plaintiffs in the *Davis Action* voluntarily dismissed the action without prejudice.

1 WHEREAS, in February 2014, as a result of discussions between counsel for Plaintiff and
2 Trunkbow, Trunkbow voluntarily produced certain documents in response to Plaintiff's informal
3 discovery requests;

4 WHEREAS, on March 13, 2014, the State Court entered an Order of Consolidation and
5 Appointment of Lead Counsel that, among other provisions, consolidated the remaining six actions
6 under the caption *In re Trunkbow International Holdings Limited Shareholders Litigation*, No. A-
7 12-671652-B (the "State Court Action");

8 WHEREAS, on April 1, 2014, Trunkbow filed its Answer to the Action, denying all
9 material allegations of wrongdoing in connection with the Merger and asserting affirmative
10 defenses.

11 WHEREAS, on April 14, 2014, the parties to the State Court Action, after voluntary
12 expedited discovery and settlement negotiations, entered into a Memorandum of Understanding
13 pursuant to which the Company filed supplemental proxy disclosures relating to the merger with the
14 SEC and the parties agreed to settle and release all claims relating to the Merger Agreement and
15 Merger;

16 WHEREAS, the parties to the State Court Action anticipate filing imminently an application
17 for an order preliminarily approving the proposed settlement on behalf of a non-opt out class,
18 providing for notice of the terms of the settlement to all shareholders, and barring and enjoining all
19 class members from commencing, prosecuting, instigating, or in any way participating in the
20 commencement or prosecution of any action in any forum asserting any of the settled claims, either
21 directly, representatively, derivatively or in any other capacity, pending the State Court's final
22 determination as to whether to approve the settlement;

23 WHEREAS, if the State Court grants final approval of the proposed settlement and release
24 in the State Court Action, the claims asserted here would be subject to release and bar;

25 WHEREAS, after the May 16, 2014 deadline for submission of a joint proposed discovery
26 plan, for the sake of judicial economy, counsel for Plaintiff and Trunkbow agreed, subject to the
27 Court's approval, to stay all proceedings in this action, including the parties' obligations to submit a
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1 stipulated discovery plan and scheduling order, until the State Court has determined whether to
2 grant final approval of a class settlement of the State Court Action;

3 WHEREAS, Plaintiff reserves all rights to object to the proposed settlement of the State
4 Court Action and, as appropriate, to move to lift the stay of this Action;

5 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between
6 Plaintiff and defendant Trunkbow, through their respective counsel of record, that Plaintiff and
7 Trunkbow agree to, and respectfully request that this Court enter, an order:

- 8 1. Staying all proceedings in this action, pending determination by the State Court as to
9 whether to approve the proposed class action settlement of the State Court Action, and
10 subject to an application by any party to lift the stay; and
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The parties shall submit a joint status report every 60 days hereafter.

2. ~~Ordering Plaintiff and defendant Trunkbow to appear for a status conference on November 12, 2014, at 9:30 a.m., or at such other time as the Court may order, to update the Court on the proceedings in the State Court Action.~~

Dated: May ³⁰~~29~~, 2014

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IT IS SO ORDERED:


United States Magistrate Judge
DATED: May 30, 2014